

ARTICLE APPEARED
ON PAGE A18

NEW YORK TIMES
30 December 1985

Democracy Undermines Democracy

The new National Endowment for Democracy is a useful agency that has strayed from its mission, strengthening free institutions in third-world countries. Could anyone who favored its creation in 1983 have expected that it would siphon off funds to an opposition group in France? Yet a grant of \$575,000 flowed to a right-wing student group. Another \$830,000 went to Force Ouvrière, a reputable anti-Communist trade union. Both tried to conceal the source when the story blew up in the French press.

This amounts to a double betrayal of the endowment's purpose. France is a stable democracy with a strongly anti-Soviet Socialist Government; it is insulting and gratuitous for American taxpayers to subsidize an opposition group there. And all endowment grants are supposed to be open, precisely to avoid the embarrassing disclosures about funding made covertly by the C.I.A. over the years.

Endowment officials contend the grants were for nonpartisan purposes and were not meant to be

secret. They offer an explanation: Of the \$31 million originally voted by Congress, \$13 million was channeled through autonomous labor and business institutes. The money sent to France went through the Free Trade Union Institute without adequate oversight by the endowment's board. Congress has now eliminated the channeling, requiring the endowment to supervise all grants directly and openly.

Carl Gershman, the chastened executive director, cites the endowment's good work in funding democratic programs in Chile, Poland, Panama and Guatemala. Nonetheless, it is remarkable that the French press had to alert the endowment to the dubious history of a major recipient with non-democratic origins, the Union Nationale Inter-Universitaire.

Imagine the outrage in America if President Mitterrand's Government were found to be covertly funding socialist opponents of the Reagan Administration.